



Staff Report to Council - for Information

Title: Tax Stabilization Reserve 2023 Activity and 2024 Projection

From: Lynn Hatten, Acting Director of Corporate Services

Date: May 16, 2024

Report Purpose:

The Tax Stabilization Reserve 2023 Activity and 2024 Projection report is for information.

Report Summary:

The Tax Stabilization Reserve is used to accumulate funds to help smooth tax rate impacts of one-time items and other unplanned or emergency situations within the County. The balance of the reserve at the end of 2023, and prior to the transfer of the operating surplus, was \$1,741,875. Based on approved reserve transfers for 2024 the reserve is expected to have a balance of \$3,046,018 at the end of 2024, prior to the allocation of any surplus and interest.

Background:

Council approved several recommendations impacting the Tax Stabilization Reserve (TSR) in 2023 totaling \$468,773, including a standing budget item to fund \$375,000 of ongoing operations. The remaining balance in the reserve on December 31, 2023 was \$1,741,875, prior to the transfer of the 2023 operational surplus.

The 2023 operational surplus of \$2,719,143 was transferred to the TSR according to County policy, resulting in a final balance of \$4,461,018, after which County Council approved the redistribution of \$1,225,000 to specific County reserves on the recommendation of the County Treasurer. The resulting balance in the TSR following the transfers is \$3,236,018.

The 2024 budget includes the utilization of \$70,000 from the TSR to fund ongoing operations, a notable decrease from the \$375,000 of ongoing operating costs funded by the reserve in 2023. Staff will continue to recommend that use of the TSR for ongoing operational spending be reduced in future budgets and instead focus on funding one-time items with the TSR, including items that were unanticipated at the time of budget approval. Further, Council approved a budget amendment on May 2nd to pay \$120,000 from the TSR for the 10-year Bruce County Forest Inventory. As a result, the projected balance of the TSR at the end of 2024 is \$3,046,018, which is below the targeted balance of \$4,000,000 (target based on 6% of Corporate Levy).

The following table summarizes initiatives funded from and transfers to the TSR in 2023 as well as those included in the 2024 budget, budget amendments and future commitments.

Opening Balance January 1, 2023	2,079,998
Less 2023 Activity:	
Offset the 2023 levy requirement	-375,000
Museum Detailed Component Requirements and Implementation Plan	-37,773
Ontario Tankard Contribution	-6,000
Municipal Innovation Council Contribution	-50,000
2023 Surplus	2,719,143
2023 Interest Allocated	130,650
Balance December 31, 2023	4,461,018
Less: approved in 2024 Budget	
Offset the 2024 Levy Requirement	-70,000
Budgeted 2024 Balance	4,391,018
Less: In year Revisions and Carryovers	
Transfer to Winter Control Reserve	-100,000
Transfer to Affordable Housing Program Creation of New Units Reserve	-750,000
Transfer to General Facilities Reserve	-375,000
Amendment: Offset 10-year Bruce County Forest Inventory	-120,000
Amended 2024 Year End Balance	3,046,018

Financial/Staffing/Legal/IT Considerations:

Other than those identified in the report, there are no other staffing, legal or ITS considerations associated with this report.

Interdepartmental Consultation:

Council has approved the budgeted transfers and in year budget amendments listed in this report.

Link to Strategic Goals and Objectives:

Growth and Innovation - Promote responsible growth

Departmental Approval:

Lynn Hatten, Acting Director of Corporate Services

Approved for Submission:

Sean Morphy, Deputy Chief Administrative Officer